

PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF NOVEMBER 17, 2008 MEETING

Board Members Present: John Rupp, Chair; Michael Lewis; Edward Field; William Kennedy; Rochelle Bates Lee; and John MacDonald.

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Andrew Prescott (Outside Labor Counsel); Henry Kinch; Deborah Dawson; Maureen Neira; Mark Therrien; Ellen Mandly, and other members of RIPTA's senior staff and members of the public whose names are listed on the meeting sign-in sheet.

Agenda Item 1: Approval of the Minutes of October 20, 2008 Meeting

Mr. Rupp took up the first agenda item, requesting comments on the October 20, 2008 meeting minutes. Mr. MacDonald made a motion to approve the minutes as presented. Mr. Lewis seconded the motion; the minutes were unanimously approved.

Agenda Item 2: General Manager's Report

Agenda Item 3: Governor's Panel Update

Agenda Item 4: House Finance Committee Update

Mr. Moscola began with the monthly fuel update saying today's price per gallon is \$2.20 the lowest price this fiscal year. The fiscal year to date average is \$3.29 per gallon and the 12-month average is \$3.36 per gallon. The current price per gallon for gasoline is \$3.17 and the CNG equivalent per gallon is \$2.00.

The General Manager reported that RIPTA is no longer using the CNG facility in Middletown and this will result in an annual savings of \$80,000. He continued saying that trolleys 16, 18 and 20 have been converted to diesel and are now in use in Newport. Trolley 19 is 50% completed and trolley 17 will be converted next.

Mr. Moscola reminded the Board that at the August 21st Board meeting staff received approval on \$1.4 million dollars in savings recommendations. He said that we have now moved forward with one recommendation, increasing the cost of the 5-year senior and disabled pass from \$5.00 to \$25 dollars.

Next Mr. Moscola reported that the Governor's Panel met on November 7th to discuss RIPTA expenditures and receive long and short-term recommendations, which staff is still reviewing. He said the revenue and operations groups within the Panel are meeting on November 20th and that he, John Rupp and Rochelle Lee had had a lengthy and fruitful meeting with Representative Stephen Costantino

and House Fiscal Advisor Michael O'Keefe last Friday to discuss RIPTA issues.

Elaborating on the Governor's Panel meetings, Mr. Rupp said many topics were brought up for discussion and evaluation, including a recommendation that RIPTA discontinue the practice of providing lunch for the Directors at RIPTA Board meetings. Mr. Rupp thanked the Governor and the Governor's Panel and the many people working with the Governor's Panel to thoroughly analyze the copious amounts of data received from RIPTA. He said the good news is the Panel has found no problems with RIPTA management and while there are some opportunities to improve, RIPTA was commended for how things have been done.

Mr. Rupp said the consensus is that RIPTA needs to be a statewide, flexible system with the ability to adapt and respond to the needs of the State. He noted that RIDOT has a heavy workload and RIPTA will be an essential partner working with them to address their issues. Mr. Rupp said that the Governor and members of the legislature now realize that when RIPTA is asked to provide services in partnership with social service agencies, it requires an allocation of RIPTA resources, even if the services are funded.

Mr. Rupp said there is a general understanding that we need to identify the transit system we need and then determine the method to fund it. He continued saying at the meeting Mr. Moscola discussed,

Representative Costantino stressed that RIPTA needs to develop a 5-year plan. Mr. Rupp ended by remarking that he is highly confident that even during these bleak economic times, RIPTA can work through this situation.

Mr. MacDonald commented that not providing lunch is petty because the Board members meet for several hours and he suggested finding a less costly alternative.

Ms. Lee asked if Mr. Rupp for his sense of where RIPTA stands overall and he replied that he is cautiously optimistic that the RIPTA system we have today, with some adjustments, will stay in tact. He said the Governor's Panel has repeatedly said they are looking for ways to manage costs and increase revenues and to determine the actual amount of money RIPTA will need going forward and in doing so we need to coordinate with other State agencies. Mr. Rupp said various proposals have been presented to the Governor's Panel at different levels and they are reviewing things such as zoned fares, park and rides and other information received at public hearings.

Michael Lewis interjected saying a number of things are being done in parallel such as the efforts of the Blue Ribbon Panel whose report is due in early December and the conclusion of the Governor's Panel review by he and Directors Sasse and Williams. He said that upon completion of these efforts, we would have all the information necessary to make policy decisions. He added that its clear to

everyone involved that RIPTA is a viable operation to meet the needs of the state and he too is cautiously optimistic for the future of RIPTA, but as a no frills operation.

Ms. Lee said there is cloud over RIPTA in the public arena and the perception is that service cuts are inevitable and this perception needs to be revised with what's truthful. She said the focus should be on developing a plan to take RIPTA from 2009 through 2010 without major cuts. Mr. Lewis agreed with her but stressed that the reviews now underway need to be completed and the reports written. He said it is in everyone's best interest that a long-term solution be found, but the State is in difficult financial times and whatever the solution it will have pain.

John Rupp opined that in convening the Panel, the Governor committed the resources needed to address the issues. He said that the it is important to focus on the next 6 months and get through the interim crisis and we've received a lot of recommendations such as how to better move the buses, zoned fares, park and rides and working with Newport.

Mr. Kennedy said RIPTA has done all they can do and anything more will hurt operations. He said he has been on the Board many years and every year there is a budget deficit. Mr. MacDonald said that the changes discussed thus far will not be detrimental to service and employees and that the Governor and his staff have been supportive

of RIPTA and are trying to make a system that will work in the best interests of the State.

Rochelle Lee agreed but added that the learning curve to get people to understand RIPTA's issues was huge and there is still a wrong impression in the public that RIPTA is not well run and people ride free. She continued by complimenting Chairman Rupp saying he raised the bar significantly in a short time vis-à-vis communicating and publicizing RIPTA's issues.

Mr. Rupp responding by saying the fact remains that RIPTA needs money and short long-term solutions to our problems along with capital investments to obtain better data and more ways to raise revenue.

Agenda Item 5: Finance Committee Report

Mr. MacDonald began by saying the Committee met with Maureen Neira and RIPTA management to review the budget assumptions for FY 2009. He reported that at the November Revenue Estimating Conference the gas yield was set higher than our budgeted number. Ms. Neira asked to use the yield set at the conference and the Committee approved her request. Mr. MacDonald noted that fuel cost savings have been substantial and that incorporating the new assumptions and gas tax yield will reduce our deficit under \$9 million dollars.

Ms. Lee asked why the budget numbers are continually monitored and updated and a discussion ensued on the budget process. Following this discussion Mr. Moscola remarked that it is a working budget and he is constantly looking for ways to save money. Mr. Rupp added that tracking and updating the budget allows us to track the amount of the budget deficit. Mr. MacDonald added that all State agencies file revised budgets and finished his report by saying Ms. Neira is asking for another filing extension for the FY 2010 budget with the state budget office.

Agenda Item 6: Implementation of Service Modifications

Mr. Therrien began his presentation on implementation of service modifications by apologizing for getting the backup materials out late and began by discussing the spreadsheet entitled improved efficiency recommendations. He said these recommendations were based on feedback received from the Governors Panel and Public Hearings and that he focused on ways to save money without implementing major cuts and with an eye to maintaining system integrity.

Mr. Therrien looked at trends caused by the Rltecure Program implemented last July and reviewed every trip and route in the system. He focused on reducing midday service and ending night service earlier on many routes and also eliminating some seasonal

service. He said weekly hours were reduced by 800 hours and approximately twenty driver jobs were eliminated.

He went through the first two pages in detail discussing the routes affected and the changes being made. He continued on page three discussing certain route modifications and explained each in detail. He finished by elaborating on the routes subject to change on page four under Flex Changes, but noted that these changes have not yet been finalized and he is still working on these routes with staff and outside sources such as the Burrillville town manger.

Mr. Kennedy spoke at length about his friend, a veteran, who is a RIPTA rider on the Zambarano Hospital route and asked Mr. Therrien about service to this area. Mr. Therrien said his route may be changed, but service will still be available. The Board members discussed the changes and their implications and Mr. Rupp complimented Mr. Therrien on the work he has done to make smaller cuts. Mr. Moscola noted that every year he and staff make adjustments and changes to the system to gain efficiencies and save money.

Following the Board discussion Mr. MacDonald made a motion to approve the implementation of service modifications as recommended by staff and Mr. Lewis seconded the motion. Mr. Kennedy objected to the motion on modifications and Ms. Lee asked for clarification on the 15% rule governing changes requiring public

hearings. Mr. Therrien clarified that many of the changes were under the 15% rule and could have been implemented without going to public hearings.

Mr. Lewis commented that for 6 months the Board has discussed the deficit and tasked RIPTA staff with finding efficiencies and he feels they did a good job identifying these efficiencies, which have limited impact. Ms. Lee noted that some routes being modified were discussed at public hearings, while others were not. She asked if some changes were business decision. Mr. Therrien said certain changes were business decisions and others were in response to the blanket cuts he was asked to prepare.

Mr. Field asked if the bus operator reductions would merge retiring operators. Mr. Moscola said that employees giving notice of retirement has slowed, possibly due to the economy. Mr. Kennedy asked if the employee count would be affected and a brief discussion ensued regarding employee headcount, openings and retirements.

Mr. Rupp said a motion was moved and seconded and he asked for a roll call vote. Mr. MacDonald and Mr. Lewis reiterated the motion and the second to approve the implementation of service modifications. A roll call vote was taken and Messrs MacDonald, Lewis, Field and Rupp and Ms. Lee voted to approve the motion. Mr. Kennedy voted against the motion. The motion passed by a vote of 5 to 1. Following the vote Ms. Lee asked Mr. Rupp to restate the motion,

which he did.

Next Steve Farrell President of Amalgamated Transit Union interjected from the audience that 618 was opposed to the implementation of service modifications. Mr. Farrell discussed some of the specific changes saying he understands the need for reductions in this crucial period but these changes will lead to overcrowding on the buses. He said some changes would impact routes changing them from Fixed Service to Flex Service and in his opinion this has contractual implications.

Mr. Kennedy asked if the changes had been discussed with unions and there was a brief exchange. Ms. Lee asked that the motion be restated and Mr. Rupp declined further discussion on this issue and moved on to the next agenda item.

Agenda Item 7: FY 2009 Budget Assumptions

Ms. Neira began this agenda item saying fuel costs, GASB 45 and the gas yield had been covered during the General Manager's report. She said that the 2009 deficit currently at \$10.9 million dollars will be updated by making revisions in four areas; gas tax yield, fuel costs, Rltechare revenue and passenger revenue.

Ms. Neira echoed Mr. MacDonald's earlier comments saying the gas yield was revised at the November Revenue Estimating Conference

from \$4.354 million per penny, which was set by the RIPTA Board to \$4.475 million per penny resulting in a savings of \$876,250.

Next she said Rltechare revenues are predicted to be below estimates by \$2 million dollars, which DHS says is due to a change in program eligibility rules. However, this shortfall is offset by an increase in passenger revenue from monthly passes, 15-ride passes and cash collected resulting in an increase of \$1,585,000. Ms. Neira reminded the Board that in July 2010 RIPTA would loose the Rltechare subsidy.

Ms. Neira continued saying the fuel budget estimate was revised to \$3.60 down from the original budgeted amount of \$4.50 and explained how this figure was determined based upon information obtained from the US Department of Energy. She said the fuel adjustment would result in a savings of \$1.9 million.

Ms. Neira said that the four assumption adjustments result in a total savings of \$2.3 million dollars bringing the total budget deficit down to \$8,086,198. Mr. Rupp asked if this amount included the line item for GASB #45 and Ms. Neira replied that GASB #45 for \$500,000 is not included and not yet paid. She added that the service adjustments voted on today have not been included.

Ms. Lee again questioned why the budget is continually revised and discussion of the budgeting methods ensued among the Board members and staff along with the merits of leaving the line item for

GASB #45 in the budget. Following this discussion Michael Lewis made a motion to accept the updated budget deficit as an update as recommended by staff. Mr. MacDonald seconded the motion and it passed unanimously.

Agenda Item 8: Ride Contracts Update

The General Manager and Mark Therrien addressed the Board on this agenda item regarding an update to the Ride contracts. Mr. Moscola reminded the Board that at the October meeting Chuck Alves offered his assistance in getting the RFP process moving forward and said he would report back to the RIPTA Board this month. As Mr. Alves was not at the meeting, Mr. Moscola suggested tabling this agenda item. Mr. Field responded by making a motion to table this agenda item and Mr. Kennedy seconded the motion. The motion passed unanimously.

Agenda Item 9: Ferry Service

Henry Kinch addressed the Board to discuss RIPTA's ferry service and reminded them that staff had previously received approval to put out an RFP for a private ferry operator and said that RFP is now ready to be put on the street.

Ms. Lee asked if the service would be 100% private and Mr. Kinch said it would and that RIPTA has received expressions of interest

from private parties. Ms. Lee asked if RIPTA would have any input and Mr. Kinch said we would assist with things like parking and ticketing a small amount paid for by federal funds.

Mr. Moscola said staff needs a clear directive from the RIPTA Board on whether to continue in its efforts. Mr. Rupp stated that too much time has been invested in the ferry, which is a dead issue. He said continuing would be a waste of resources, particularly the time and expertise of Mr. Kinch. Mr. Kinch restated that the Board approved the preparation of the RFP for a private ferry operator, but he will curtail his efforts if that is the Board's wish.

Mr. Rupp stated that it appears to be the City of Newport who most wants to continue the service, so they should pursue a private operator. Mr. Moscola said if the ferry is operated privately the fare would have to increase significantly. Ms. Lee said she supports the ferry on a holistic basis and RIPTA should play a role in any water transportation service. Mr. MacDonald noted that the ferry proposal legislation died last year.

Following this discussion Mr. Field made a motion to table the agenda item for the ferry service. Mr. Kennedy seconded the motion and is passed unanimously.

Agenda Item 10: Rosa Parks Day

Mr. Moscola addressed this agenda item to address how RIPTA intends to recognize, in a cost-effective manner, Rose Parks Day on December 1, 2008.

Mr. Moscola said he and staff had worked with Ms. Lee on this issue and they developed a poster commemorating Rosa Parks, which will be installed in a window about the first seat on every bus, directly behind the driver. The poster will be produced in-house and depict a historic image of Rose Parks seated on a bus.

Ms. Lee added that she feels this is an appropriate and cost effective way to commemorate Rosa Parks and the civil rights movement. She recalled that last year free rides were given, but this with the commemorative poster we will create a tradition without spending money, except to make the signs.

Mr. Rupp suggested revising the reminder line on the bottom of the poster to read, “RIPTA is honored to present this commemoration”. Mr. Kennedy spoke fondly about his personal experience meeting Ms. Parks and her respected place in history.

Following this discussion Mr. Field made a motion to honor Rosa Parks as recommended by staff. Mr. Lewis seconded the motion and it passed unanimously.

Agenda Item 11: 2009 Board Meeting Schedule

Mr. Rupp moved on to the next agenda item, proposed dates for Board meetings for the 2009 calendar year. Mr. Lewis moved that the 2009 Board meeting dates be approved as presented and Mr. Kennedy seconded the motion, which passed unanimously.

Agenda Item 12: Public Comment

Mr. Rupp asked for public comments and recognized Steve Farrell President of Amalgamated Transit Union. Mr. Farrell expressed concern regarding the non-union subcontractor installing windows on the new RIPTA Paratransit Building under construction on Elmwood Avenue. Mr. Moscola responded that he is aware of the situation and that Mr. Farrell asked him to look into the situation, which he is doing. Mr. Rupp asked that the Board be given a monthly status report on the construction.

Next Mr. Rupp recognized RIPTA bus operator Joe Cole who first thanked the Board for the work they do, then commented on Mr. Therrien's presentation regarding service modifications. Mr. Cole expressed concern that many buses are already crowded and any changes to the routes or headway could adversely effect an already difficult situation. Mr. Cole expressed his frustration and opposition to the changes. Mr. Rupp responded with frustration saying the Board has worked hard to maintain service for RIPTA riders.

Finally Mr. Rupp recognized Barry Schiller a former RIPTA Board member and public transit advocate. Mr. Schiller complimented RIPTA staff and the Board and said they do a good job. He said he did not want to be an alarmist, but if you contemplate service cuts you are on a slippery slope. Mr. Schiller continued saying he had two points to make, first he feels interlining is a handy tool that would reduce what he feels is overcrowding in Kennedy Plaza. Second, Mr. Schiller said a bus shelter should be dedicated to the memory of Rosa Parks with a permanent display honoring Rosa Parks and he believes it should be located at either Kennedy Plaza or at the State House. Mr. Rupp thanked Mr. Schiller for his suggestions and asked that he send a letter to he and Ms. Lee with more details.

Mr. Rupp thanked the speakers for their comments and asked for a short break.

Agenda Item 13: Executive Session

Continuing after the break Mr. Rupp moved on to the next agenda item. Mr. MacDonald read the agenda, which noticed an executive session pursuant to Rhode Island general laws section § 42-46-5 (a)(2) to discuss Collective Bargaining Issues and Claims matters, and motioned for to convene the executive session. Ms. Lee seconded the motion and a roll call vote was taken. All members voted to convene the executive session.

Following the Board's return to open session Ms. Lee made a motion to seal the minutes of the Executive Session, and Mr. Lewis seconded the motion, which passed unanimously.

Agenda Item 14: Adjournment

A motion to adjourn was made Ms. Lee. Mr. Lewis seconded the motion, which passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary